



U.S. Department of Justice
U.S. Attorney's Office
Southern District of Texas
Chuck Rosenberg • United States Attorney

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**LOCAL SECURITY COMPANY CONVICTED OF
UNLAWFUL ARMING OF ILLEGAL ALIENS**

(HOUSTON, TX) United States Attorney Chuck Rosenberg today announced that Financial Holdings, Inc., formerly known as Spartan Security Services, was convicted of conspiracy to unlawfully arm illegal aliens employed by the company between May 2001 and February 2005. The conviction of the corporation came after the corporation, through its representative, David Fernandez, pled guilty to the federal conspiracy charge before Lynn N. Hughes, United States District Judge on Tuesday, on September 27, 2005.

At Tuesday's hearing, Spartan Security conceded it not only armed illegal aliens employed by the company, who are prohibited by federal law from possessing firearms, but also admitted that during the almost four year time frame of the conspiracy, Spartan Security staff made false entries on federally mandated employment records, at times failing to maintain any of the required I-9 forms. As a result of this conviction, Spartan Security, who has supplied private security guards to a wide array of Houston businesses including apartment complexes, automobile dealerships and nightclubs, faces possible shut down by officials with the Texas Department of Public Safety.

Sentencing is scheduled for the corporation on January 3, 2006, at 1:30 p.m. Spartan Security faces a maximum fine of \$500,000.

The conviction of Spartan Security brings to an end an investigation which also led to the federal prosecution and conviction of several Spartan employees.

Most notably, Mario Arturo Fernandez, 57, a Cuban national residing in Houston, Texas, who ran Spartan from May 2001 through December 2004, was convicted for his role in the unlawful arming of Spartan employees, and his unlawful possession of a firearm on August 16, 2005. Fernandez is a convicted felon and prohibited by law from possessing firearms. Fernandez is scheduled to be sentenced on November 14, 2005, at 1:30 p.m. Fernandez could receive a term of incarceration of up to five years for his role in the conspiracy, while a term of up to ten years imprisonment could be imposed for being a felon in possession of a firearm. A fine up to \$250,000 could also be imposed.

In addition to Fernandez, the following ten Spartan Security employees have entered pleas of guilty stemming from employment at the corporation:

- * Phillipe A. Castillo, 31, was convicted of the firearms conspiracy. Additionally, Castillo, a citizen of the United Mexican States and prohibited from possessing a firearm has also been convicted of being an alien in possession of a firearm. At his sentencing on November 14, 2005, Castillo faces a maximum of five years imprisonment for the conspiracy conviction and up to ten years imprisonment and/or a fine up to \$250,000 for the alien in possession conviction;

- * Carlos Alberto Toruno, 68, of Houston, Texas, also pled guilty to the firearms conspiracy and to making a false statement in connection with the acquisition of a firearm. Toruno could be sentenced up to five years of incarceration and/or a fine up to \$250,000;

- * Victor Benitez, Francisco Nicolas Martinez, Maria Sosa and Oscar Sanchez, each a citizen of the United Mexican States, have each been convicted and sentenced in related cases to being an alien unlawfully in possession of a firearm.

- * Andres Nunez, Edgardo Ruedas, Roberto Castillo and Javier Briseno have all been convicted and sentenced in related cases to misusing a social security number.

A warrant remains outstanding for the arrest of Carlos Kopka, 41, a Mexican national formerly employed by Spartan Security, charged along with the corporation, Fernandez, Castillo, and Toruno with conspiracy and being an alien in possession of a firearm. A warrant also remains outstanding for the arrest of Diego De Jesus Ramirez, age 25, a Mexican national formerly employed by Spartan Security, charged with misusing a social security number.

The investigation was conducted jointly by special agents of the U. S. Bureau of Alcohol, Tobacco, Firearms and Explosives, the Texas Department of Public Safety-Bureau of Private Security, the Social Security Administration, U.

S. Immigration and Customs Enforcement and the Texas Comptrollers Office.
Assistant United States Attorney Shelley J. Hicks prosecuted the case.